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FOREIGN AGRICULTURE

June 1961



Cutting grain in Greece

The Philippines Today

World Agricultural "Intelligence"

Problems and Progress in Greek Agriculture

FOREIGN AGRICULTURE

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Greece and the Common Market

Greek exports to Common Market nations are expected to increase if and when Greece becomes a member of the European Economic Community, notes Edward J. Bell, U.S. Agricultural Attaché in Athens, in this issue's article—the first of two—on Greece's agriculture.

The agreement, after a year's intensive negotiation, is now up for ratification by the European Economic Community's Parliament and Council of Ministers, Parliaments of the six member's, and the Royal Greek Government.

Greece would also derive major benefit from two other aspects of the agreement: Step-by-step participation in the Common Market customs union and special financial aid.

Dismantling of tariffs is to be completed by both sides in 12 years. But, to protect Greece's new industries and the export of certain products, Greece will be permitted to stagger tariff reductions over a period of 22 years for about one-third of its products. Tariff reductions already in effect between the Six will, with a few exceptions, be extended to Greece.

Greece will adopt the Community's common external tariff. Changes made by Greece to conform will go hand in hand with tariff reductions favoring other Community members. Within the 22-year transition period, Greece is to end all quantitative restrictions; current restrictions among the Six will be extended to Greece.

Agriculture comes in for special attention, since farm products make up the bulk of Greek exports not only to member but to nonmember nations. The Six are to grant Greece all advantages now accorded one another, setting up restrictions only for conflicting products.

Tariffs on tobacco and raisins, Greece's principal exports, are to be reduced speedily to encourage greater sales to the Six.

Specific articles cover "free movement of persons, services, and capitals . . . transport . . . rules of competition . . . and economic policy."

The advantages of the agreement to Greece are many. Nevertheless, certain obligations will demand real effort by the Greek economy. Therefore, Greece may borrow from the Community up to \$125 million to help meet these obligations and strengthen its economic position.

Cover Photograph

Greek women cut grain with sickles. Much of the country's grain is still cut in this way, but in the plains areas the combine is coming into general use. (Photograph courtesy USIS.)

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Growth Through Agricultural Progress

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Photographs courtesy USIS



Above, increasing mechanization on Greek farms finds tractor-drawn plow alongside traditional draft cattle.

Left, Greek villagers dig foundations for cheese factory to bring employment and higher living standards to area.

Greece's Agricultural Economy —its accomplishments and problems. I

By EDWARD J. BELL
U.S. Agricultural Attaché, Athens

Twelve years ago this fall, on October 16, 1949, the troops of Marshal Alexander Papagos brought to an end a long period of internal strife and enemy occupation under which the Greek people had suffered since the invasion by the Axis powers in the early 1940's. Only then was it possible for the country to give its attention to a program of reconstruction.

Since that time, Greek agriculture has made remarkable progress. Crop production in 1957 was 96 percent above prewar. Adverse weather in the past few years reduced yields of several important crops, but the general level of production is substantially greater than in previous periods. With a few exceptions, the Greeks are now producing all of their food requirements and have exportable surpluses of a number of commodities.

By and large, the people are probably better fed than ever before, although the caloric intake is low compared to the countries of Northern

Europe. Greece has a higher per capita consumption of fruits and vegetables than any other European country. The per capita income of the farm population increased from an equivalent of \$146 in 1938, to \$165 in 1954, and \$202 in 1959 (at 1959 prices).

Even so, many perplexing problems still remain. Improvement in the standard of living has by no means been uniform. Many families in the mountains and on the islands are still on a bare subsistence basis. Farmers on the plains and in the valleys who have been able to increase their output now face serious competition in selling their crops on world markets. While there has been a slow upward growth in livestock and poultry production, the diet of the people is still deficient in animal proteins. Incomes, while somewhat improved, are still inadequate and there is a shortage of arable land in relation to village population.

Improved Farm Practices

Farmers and their leaders recognize these problems and are trying to solve them. Cultivation of more intensive

crops is being encouraged. Irrigation is increasing from wells on individual plots as well as from government projects. In the mountain areas and on the islands a program has been started to construct terraces and small dams, improve pastures, and replant the hillsides to trees and grass.

Attempts are also directed toward improving the grading and packing of fruits and vegetables for export. Research institutes and the extension service continue to struggle with insect pests and diseases of plants and animals, at the same time working to improve varieties of crops and livestock and poultry breeds.

U.S. Aid and Market

Aid from the United States has played a major role in the recovery of Greek agriculture during the postwar years. In the early part of the period we furnished the Greeks food and other products under UNRRA, and later under the Marshall Plan. In recent years we have sold them wheat, feed grains, soybean oil and a few other items under P.L. 480. Voluntary relief agencies have distributed thousands of tons of whole wheat flour and other



Women do most of the weeding in Greece's tobacco fields. Considerable hand labor also goes into grading and curing.



Author Bell, second from right, sees the sun-curing that helps make Greece's flavorful tobacco its largest export.

foods under Title III, and in 1960 we sent wheat under the emergency provisions of Title II to the stricken farmers of Crete.

Loans for industrial and agricultural development have improved the basic economy and have enabled farmers to find larger markets within Greece for their increasing output. Our research and extension advisors have come to Greece and their agriculturalists have gone to the States for further training. The extension service has been established and is giving much assistance to farmers in all parts of the country. Law and order have been maintained and the people have been able to follow their peaceful pursuits without fear of invasion.

Another factor in Greek-American relations which is often overlooked is that we are a major market for Greek tobacco and dried figs. Americans of Greek descent also buy olive oil and table olives from their ancestral home and send millions of dollars every year to their relatives in Greece. All these and many other activities create a close bond between Greeks and Americans and help the economy of Greece.

But in the final analysis, it is to the Greek farmers and their families that the larger share of the credit belongs for the progress which has been and is being made. They make excellent use of the resources at their command and have shown great talent for adapting ideas from abroad to conditions peculiar to their own country.

All available land is brought under cultivation. Hillsides are terraced and orchards have been planted to citrus and deciduous fruits in addition to the traditional olive groves and vineyards. While farmers here, as elsewhere, are conservative by nature, they can and will adopt new practices as soon as the benefit is demonstrated. Thus, new varieties, new fertilizers, new weed-killers, new pesticides and fungicides, new tillage methods and other improvements have been adopted and put into use quite generally.

Stiff World Competition

Along with increased production have come a number of problems. As farmers enter the markets of the world, they find that competition is keener. Methods of selling fruit, for example, are quite different in Greece than in the countries of Western Europe, so grading and packaging must be improved; and the product as it comes from the trees must be free from blemishes. Export markets are not dependable. One year the countries of Northern Europe are in the market for Greek apples; the next year they have a surplus of their own and don't buy any apples from Greece. The export market for every other crop presents its own particular difficulties, as U.S. farmers have also discovered.

Exports to the bilateral trading countries of Eastern Europe have increased in recent years. Until 1957 about 90 percent of the value of all

Greek exports went to Western Europe, the United States, and other countries in the Free World, but in 1958 and 1959 sales to Eastern Europe, including the USSR, rose to 16 percent of the total, and, in 1960, they rose to 22 percent.

Most of the citrus exports have been sold under the bilateral agreements. Eastern Europe bought 40 percent of the sultana exports, 25 percent of the cotton, and 20 percent of the tobacco in 1959-60. Otherwise, exports amounting to more than 75 percent of the total have gone to the Free World through competitive commercial sales.

By the end of March 1961, negotiations for Greece's association with the European Common Market had been completed and the agreement was in the process of ratification by the various Parliaments concerned. Greek officials hope that exports to that area will expand through the closer economic ties they look forward to with these six Western European countries.

In Summary

The chief accomplishments of Greek agriculture over the past 11 years are:

- *Increased production.* Greece is now producing most of its food and fiber and has a surplus of many crops for export. New export crops such as cotton, apples, and peaches have been added, and the production of most other commodities is well above the

(Continued on page 20)

Long-Term Export Outlook For U.S. Cotton Is Good

By CHARLES H. BARBER
Cotton Division
Foreign Agricultural Service

U.S. cotton exports are expected to slow down during 1961-62 after 2 years of high export levels.

U.S. cotton exports of 4.3 million running bales for August 1960 through February 1961 were about 200,000 bales higher than during a comparable period last year. Then—because of the 2.5-cent increase in the U.S. export payment rate effective August 1—cotton sales began being made for shipment after July 31. This will probably lower U.S. cotton exports during the rest of the season to a final total for 1960-61 at least 10 percent below the 1959-60 sales of 7.2 million bales.

A heavy volume of exports should resume August 1 and continue as long as there are old-crop stocks in private hands—which may be until the end of 1961. From then on, U.S. export sales will depend largely on whether U.S. cotton is competitive pricewise when 1961 foreign cotton crops move into the world market.

The high volume of U.S. exports during the past 2 years reflected continued record cotton consumption abroad and the availability of adequate U.S. cotton at competitive world prices. Another factor was undoubtedly lack of strong competition from reduced quantities of foreign-grown upland type available for export in 1960-61.

Now, however, cyclical changes in the relationship between world supply and demand and year-to-year changes in inventories of cotton and cotton products in importing countries may temporarily reverse the upward trend for 1962. This is in line with a post-war pattern of steadily increasing foreign cotton consumption which has been broken occasionally by brief periods of leveling-off.

U.S. cotton exports are determined mainly by consumption and production outside the United States and by the prices of U.S. cotton compared with

prices for foreign growths of similar quality. Increases in consumption abroad, however, will probably not be fully reflected in cotton trade increases because about 70 percent of world consumption is in countries that produce all or most of the cotton used by their mill industries.

A review of world supply and demand during the past two seasons shows trade developments which may be expected in 1961-62.

World cotton production, consumption, and trade reached record-high levels in 1959-60, when importing countries (except India) increased their inventories. Foreign exporting countries disposed of nearly all their exportable supplies despite large U.S. exports. World consumption exceeded world production by about 1.3 million bales, stocks were reduced by that amount, and prices rose moderately.

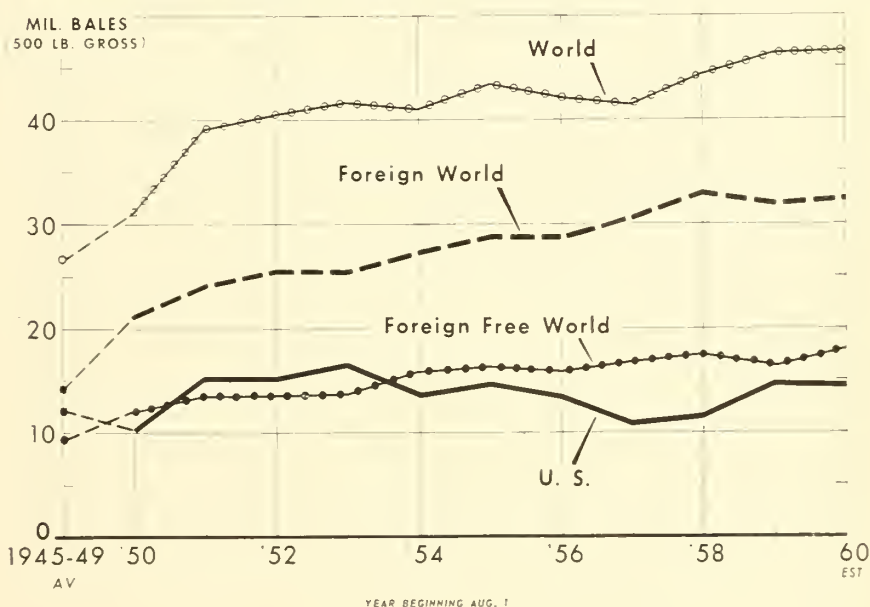
In 1960-61, world consumption and production were about in balance at 46.7 million bales, mainly because of lower consumption in the U.S., USSR, and China and increased production in the foreign Free World. Apparently there will be no significant change in world or U.S. stocks during 1960-61, and little change in distribution be-

tween the two groups of importing and exporting countries. Prices of U.S. and most foreign growths of upland cotton in import markets rose by around 10 percent during the past year.

Competition for export markets may be sharper in 1961-62, especially in the second half of the season, because of these factors. Inventories of yarns and textiles are beginning to exceed minimum needs in some cotton importing countries, and may result in a temporary reduction in mill operations. Inventories of cotton in most importing countries are sufficiently high to permit imports to drop below consumption in 1961-62 if justified by the market outlook for the following year. Current reports indicate the possibility of a million-bale increase in foreign production in 1961-62, encouraged by prices 3 to 5 cents above those of 2 years ago. U.S. acreage allotments for the 1961 crop, which are 931,000 acres higher than for 1960, indicate a possible production increase.

The long-term outlook for U.S. and world trade in cotton is favorable. Foreign cotton consumption is expected to continue to rise as economic conditions improve and population increases. The moderate decline in U.S. and world cotton trade expected in 1961-62 is considered a temporary adjustment. The extent and period of adjustment will be influenced by foreign cotton production and consumption, and by cotton prices.

World Cotton Production at Record High





Most of the wheat milled by the 3-year-old flour industry of the Philippines is purchased from the United States.

The Philippines Today

By **EUGENE T. RANSOM**
U.S. Agricultural Attaché, Manila

The steady growth of Philippine industry in the past 10 years has changed the Republic from an importer of consumer goods to an importer of raw agricultural materials for processing in the Philippines.

The United States through good relationships with the Republic of the Philippines—and undoubtedly because of preferential tariffs still in effect—has managed to retain a fairly stable 60 percent of the total agricultural products purchased by the Philippines. The dollar value of these products over the past decade rose through 1958, then returned to the 1950 figure of \$50 million.

The importance of the Philippine market to the United States is shown by the fact that the Philippines ranks as one of the top cash markets for U.S. farm products and in Asia is second only to Japan. Outside of highly industrialized Western European countries, only Canada, Japan, Mexico, and Venezuela buy more agricultural products from the United States.

Nor is the economic pattern one-sided. The Philippine Republic ranks second as a supplier to the United States of supplemental agricultural

products—coconut products, sugar, canned pineapple, and tobacco.

Industrialization, which caused the shift in Philippine buying habits, received great impetus during the 1950's from government monetary controls and directed industrial expansion.

Industry and creation of employment came first and agriculture, some observers feel, has not had sufficient help from the government. Producers of agricultural commodities have actually been handicapped, and exports have suffered because of practical inequities under exchange controls.

However, industrialization has provided employment for a large number of people and changed the Philippine market from one for finished goods to one for raw materials—particularly in the area of agricultural food and fiber consumer items.

Today there is enough industrial capacity available or in prospect to supply the needs of the Philippines for cotton textiles, wheat flour and wheat foods, tobacco products, milk products, and a large variety of processed foods and household items.

A brief analysis of four important new Philippine industries shows their impact on U.S. agricultural producers.

The *cotton textile* industry of the Philippines has developed to a point

where it can supply a wide variety and almost the total needs of the Philippine consumer. It was the first industry to develop and to change the Philippine market from one of finished goods to a raw cotton market.

As of 1960, 24 factories were in operation, employing a labor force of more than 35,000 and consuming 220,000 bales of raw cotton. This cotton, with a value of over \$30 million, came almost entirely from U.S. farms.

The *wheat flour industry* began in October 1958 with the opening of the first flour mill in the Philippines. The mill's capacity has now been doubled, and a licensing, grain buying, and blending service arrangement has been entered into with a well-known U.S. flour milling company. The second mill began operating in February 1959, and two more will be in operation by mid-1961. At least three more mills have been authorized and are in various stages of construction.

Capitalizing on brand-name acceptance and the technical experience available to them, most of the mills have formalized licensing and working arrangements with U.S. mills.

U.S. industry has lost a market, but U.S. agriculture is maintaining or increasing its share of the growing Philippine market. Ninety-five percent of

the wheat imported by the Republic in 1960 came from the United States.

The *milk products* industry now has three "filled milk" plants producing filled evaporated and filled condensed milk. These plants use imported non-fat dry milk and local coconut and corn oil. The combined capacities of the three plants are practically sufficient to supply current canned milk needs of the country. However, sizable quantities of imported evaporated and condensed milk are still in demand, especially for infants. Two plants utilizing imported products produce a fluid filled milk and ice cream and cheese, and another plant just put into operation is producing butter from imported anhydrous milk fat.

Total imports of dairy products, of which the United States has a large share, amounted to \$25 million in 1960. Again a changing market but one of ever increasing potential.

The *tobacco* industry in the Philippines has grown rapidly. For many years the Republic was a good market for U.S. cigarettes and later, as local industry was developed, for burley and Virginia-type leaf tobacco. In recent years imports of both cigarettes and leaf tobacco have practically stopped because of Philippine efforts to encourage tobacco raising. It now appears that the ban on imports will be removed and that U.S. leaf will again be brought in for blending in a cigarette more acceptable to local tastes.

The Philippines, already a large market, has great potential for the future. The current population of 28 million is expanding at the rate of 3.2 percent annually. Purchasing power is growing. There is still great disparity in incomes, but a new "middle" economic group is slowly emerging.

Much progress has been made to stabilize the economy of the country. A large and easily trained labor force—called the Philippines' greatest resource—is available. The development of abundant natural resources will provide employment and increased spending power. Government planning and available capital insure development of roads, interisland shipping, power, and basic industries, which will open up vast opportunities for private investment and sustained growth. In-

creased earnings and growing population will provide a vastly bigger market for farm products.

The supplemental nature of Philippine and U.S. agriculture augurs well for a continued high level of mutually advantageous trade in farm commodities between the two countries. In all likelihood, U.S. industry will continue to buy from the Philippines large supplies of coconut products, sugar, manila hemp, or abaca—the Philippines will probably never attain self-sufficiency in wheat, cotton, dairy products, quality cigarette tobacco, and other products we can produce to advantage.

Early recognition and implementation of the inherent advantages of producing and trading those products best suited to each is a worthy goal for farm leaders of both countries.

The Philippine Republic's new industries—whether those of the new generation of Filipino industrialists, or of U.S. firms processing in the Philippines—provide a ready, already "accustomed" market for U.S. farm products. However, U.S. farmers in the future face what will become a steadily more competitive market. Present preferential tariffs which give the edge to American producers will end in 1974. The sliding tariff scale has now reached the half-way mark and becomes progressively less preferential between now and the end of the agreement. The valuable Philippine market cannot therefore be taken for granted by U.S. agriculture.



ICA photograph

Above, serious young trainee learns tobacco pest-control techniques; Republic buys quality U.S. tobacco for blending with its own leaf. Below, gaiety lightens the task of classifying abaca for export.



The World Food Deficit

A first approximation of the world food deficit was issued this spring by FAS. Its summary is presented here.

If the world's food shortage were expressed in terms of the wide variety of foods people eat or would like to eat, the resulting data would be ponderously detailed. For the sake of greater simplicity and clarity, this study has taken the liberty of translating world shortages of widely varied foods into terms of a few widely known and widely used foods. These shortages represent the gap between actual amounts of food that people in deficit countries have available, whether domestically produced or imported, and the larger amounts desirable to maintain normal physical activity and health. In these terms, based on the year 1962, the estimated food shortages in the world's deficit countries may be said to be the equivalent of:

| | Million metric tons |
|--|---------------------|
| Animal protein, in terms of nonfat milk solids | 1.8 |
| Pulse protein, in terms of dry beans and peas | 0.4 |
| Other protein, in terms of wheat | 35.6 |
| Remaining calorie deficit, in terms of wheat | 8.6 |

Another way to express the deficit in countries short of food is in terms of United States agricultural production. In this highly simplified frame of reference, the estimated world food shortage for 1962 may be said to be roughly equivalent to 35 percent of U.S. annual milk production . . . plus 40 percent of U.S. annual dry bean and pea production . . . plus 120 percent of U.S. annual wheat production. *This is not to imply that increased U.S. production can or should be the means of filling the world food gap. Other countries must help, too, and this process will evolve over many years. This comparison with U.S. production is intended only to be a convenient yardstick, helpful in visualizing the size of the deficit.*

Interpretation of Data

In using the above data, these cautions should be observed:

(1) The world food deficit is very difficult to measure quantitatively, and

these estimates are not regarded as precise measurements. They are first approximations, to be followed at a later date by data that are more refined and more detailed.

(2) It would not be accurate to conclude that the world automatically will eliminate its food deficit by producing the additional stated amounts of milk solids, dry beans and peas, and wheat. These equivalents are used to reduce the complicated food shortage picture to a few simple elements that are in sharp focus. As countries try to improve their diets, traditional food preferences will be a dominant guide and actual increases in production and imports will cover a wide range of foods.

(3) These world food deficit data do not carry with them any measure of actual ability of countries to fill their food shortages. By and large, food deficits are greatest in countries that have the least means of obtaining adequate supplies. While progress is being made, there is no assurance that the total food gap can be closed soon.

Less Developed Areas

This food deficit study covers the regions where people have the greatest need for additional protein and calories in their diets. In other countries, such as the United States, Canada, Australia, New Zealand, Soviet Union, and Eastern, Western, and Mediterranean Europe, national diets exceed minimum standards.

The study reveals that total calories, total proteins, and particularly animal proteins are on the whole very low for the populations of Western Asia, Africa, the Far East, Mainland China, and large parts of Latin America. These are the less developed areas of the world. The effect of shortages of calories and protein, especially animal protein, is to make their populations more vulnerable to certain deficiency diseases and to reduce the vitality and energy that undergirds

the development of a country.

Food shortages were measured in this study by applying nutritional reference standards. Calorie reference standards were based on those developed by the Food and Agriculture Organization, and range from a needed daily consumption of 2,300 calories per person in the Far East to 2,500 calories in Latin America. The protein reference standard was set at 65 grams of total protein per person per day. Of this at least a tenth, or 7 grams, should be animal protein, and total animal and pulse protein should equal at least 17 grams.

Deficit by Regions

By applying these standards, the study notes these world shortages:

Animal protein deficit, in terms of nonfat milk solids. The most critical shortages are in the Far East, followed by Communist Asia and by Africa. Additional amounts needed in 1962 are: Far East, 900,000 metric tons; Communist Asia, 755,000 metric tons; Africa, 115,000 metric tons; Latin America, 10,000 metric tons; total, 1,780,000 metric tons. Somewhat larger needs are projected for 1965.

Pulse protein deficit, in terms of dry beans and peas. This is much smaller than the animal protein deficit. Nearly all the pulse protein deficit is located in Africa and the Far East, with only a small deficit in Western Asia. Additional needs for 1962 are: Africa, 215,000 metric tons; Far East, 145,000 metric tons; Western Asia, 19,000 metric tons; total, 379,000 metric tons. Again, somewhat larger needs are projected for 1965.

Other protein deficit, in terms of wheat. The Far East, which contains nearly half the Free World's population and is the world's primary food deficit area, particularly needs to add protein to diets to achieve the daily reference standard of 65 grams. Considerable deficits also appear for Africa and some of the Latin American republics. Additional protein needs for 1962, in terms of wheat, are: Far East, 27,900,000 metric tons; Latin America, 4,000,000 metric tons; Africa, 3,700,000 metric tons; Western Asia, 17,000 metric tons; total 35,617,000 metric

(Continued on page 20)

Central America Builds Up Its Livestock Industry

Meat exports are increasing, particularly to the United States, as these neighboring republics strive to expand output to earn needed dollars for development programs.

By **GROVER J. SIMS**
Livestock and Meat Products
Foreign Agricultural Service

Of the seven small countries that make up Central America, six are known chiefly for their bananas—despite the fact that they also grow and export tremendous amounts of coffee and cacao.¹

Today these six countries are moving one step further away from bananas. To reduce their dependence on them as well as on other tropical crops—they are rapidly expanding their livestock industries. And since all of them want to augment their foreign exchange earnings with dollars that can be used for industrial and agricultural development, their goal is to create a larger market in the United States for their beef exports.

Five years ago very little Central

¹ These six countries are Costa Rica, Nicaragua, Honduras, Panama, Guatemala, and El Salvador. The seventh country is British Honduras, a territorial possession of the United Kingdom.

American beef entered the United States. In 1956, shipments from four countries—Costa Rica, Nicaragua, Honduras, and Panama—amounted to only 176,000 pounds. Last year they totaled over 27 million pounds. Compared with the large U.S. beef production and also with the shipments from Australia, New Zealand, Ireland, and Argentina, this is relatively small. But for these Central American countries the rapidly increasing sales to the United States have been profitable.

So far Central American beef shipments have not offered much competition to U.S. beef producers. However, Central America has the potential for much larger output. The seven countries blanket an area three times larger than Illinois. There are only 27 cattle per square mile compared with 34 in the United States, and the total cattle population is about 6.5 million head, or about the same as in Iowa.

Much of this potential production will stem from a general upgrading of the area's livestock industry rather than from increased numbers. Produc-

tion problems in Central America, for example, are similar to those encountered in Florida, Louisiana, and Alabama 20 to 30 years ago. These States, which now make an important contribution to U.S. beef production, used to raise the same kind of non-descript cattle that are to be found in Central America. Today Central American producers are attacking their problems in the same way that the U.S. producers did—through better breeding stock, improved pastures, supplemental feed, disease and pest control, and modern management.

A factor limiting production is the long period of drought which occurs each year. During the dry season cattle lose much of the weight gained on the lush pastures of the wet season. Hay, silage, and other supplemental feeds are not produced to any extent, and grains are too expensive and too necessary for human food; hence, cattle fend for themselves and feed on the sparse forage that is available. As a result, death losses from malnutrition, parasites, and disease are high; calf crops are low; and marketings of slaughter cattle are small in relation to cattle numbers. Many of the cattle slaughtered are 3- to 5-year-old steers or older work oxen. Also, many cattle

Below, U.S. cattle to be used for breeding are unloaded from plane in Honduras. Right, criollo cattle at the big research institute at Turrialba in Costa Rica.





Installing equipment at a new and modern slaughterhouse in Costa Rica. Most of the Central American countries have made a start at updating their industries.

are kept for milk production.

Central America, however, is free of foot-and-mouth disease, which is endemic in every country in South America. Consequently, fresh and frozen beef may enter the United States as long as the individual countries maintain meat inspection systems compatible with U.S. standards.

Situation by Countries

The livestock industry shows considerable variation among the six countries. Some have made good headway, others are just getting started.

Costa Rica is doing exceptionally well. In 1959, cattle and meat became that country's fourth largest source of foreign exchange earnings, after coffee, bananas, and cacao. Export returns from cattle and beef were equivalent to \$3.20 for each Costa Rican.

In *Nicaragua*—the area's largest cattle producer—government programs of technical assistance and credit are geared to stimulate output. The National Bank has made the equivalent of \$7.1 million available for credit to ranchers. The Instituto de Fomento Nacional (INFONAC) in recent years has imported over 1,000 head of purebred cattle, mainly from the United States, and these have been sold on credit to ranchers. INFONAC also operates a breeding farm near Managua which produces over 200 head of cattle

a year for distribution to breeders on easy payment terms, and the Ministry of Agriculture operates an artificial insemination center. At the same time, a meat packing plant in Managua is being expanded to handle 420 cattle a day, with freezing capacity raised to 40 tons a day. This work will not be completed until next year. But eventually Nicaragua may restrict its exports to 50,000 cattle a year, in favor of beef exports.

Honduras exported small amounts of beef to the United States in 1952 and 1958, then shipments were discontinued until the country had improved its inspection standards. Last year U.S. imports from Honduras totaled 3.4 million pounds, and there is the possibility that these may increase. Recently a U.S.-designed meat packing plant with a capacity of about 100 cattle a day was built on the outskirts of San Pedro Sula. Also, the government has loaned money to cattle producers to import breeding cattle.

Panama's cattle industry has developed rapidly in the past decade, as a result of technical assistance programs and expanded credit provided by both private and national banks. Some beef entered the United States from Panama in 1959 but none came last year. However, the National Livestock Institute formed in 1958 is actively promoting beef and cattle exports.

Cattle numbers on *Guatemalan* farms have been rising for several years because of higher returns to producers, and in 1959, they numbered over 1.1 million head. Up to now no beef has been exported to the United States because of the country's inspection system, but the new municipal slaughter house at Lavarreda has been approved—the only one in the country that has. Dutch and British island dependencies in the Caribbean are also potential markets for Guatemalan beef.

El Salvador is the only one of the republics that is not an exporter of livestock and meat; however, it has Central America's largest concentration of cattle in relation to people and at the present time serves as a grazing area for cattle from neighboring countries. Whether it develops into a meat exporter is a question. Its major policy is to up farm output, but current political and social unrest is stifling the growth of the livestock industry.

Two-Way Trade Ahead

What are the prospects for future exports from Central America? Currently, it looks as though shipments have about reached their peak. The United States is now in a cycle of increasing cattle numbers, which means that for several years the production of beef, particularly of the lower grades such as those imported from Central America, will be increasing. Thus, smaller imports will be needed, and in this diminishing market, Central American producers will have to compete with those from Australia, New Zealand, and Ireland.

To the area's advantage, though, is its proximity to the U.S. market. This gives Central America the edge over Australia and New Zealand in that it can ship chilled rather than frozen beef. But to capitalize on this ability to export chilled beef, these countries will have to revolutionize their industries and produce higher grade block beef instead of the processing beef that they are now exporting. A start has been made, and in time these Central American countries will probably be able to export beef to the United States in substantial amounts, thus earning additional dollars for purchasing goods in the United States.

FAS Marketing Specialist
Robert S. FitzSimmonds
(facing) concentrates
on common fruit marketing
problems with Italian
producers at a trade
fair held last year at
Lausanne, Switzerland.

By AUDREY AMES COOK
Foreign Agricultural Service



World Agricultural "Intelligence"

How the Foreign Agricultural Service helps forge and maintain a chain of information between foreign areas and U.S. farmers.

World agricultural "intelligence" is a tool designed to sharpen the effectiveness of world agricultural trade—and today's global trade in farm products is a business that influences the lives of nearly 3 billion people.

More specifically, agricultural intelligence is the system by which each country strives to learn and assess facts which will enable its producers to export their crops profitably, and help its consumers obtain from abroad the products they need.

Global agricultural information can mean the difference between profit or bankruptcy to the world's farmers and traders. It can determine whether a nation's agricultural economy is sound or unsound. And often it can alter the housewife's food budget, whether it be calculated in U.S. dollars, Greek drachmas, or Indian rupees.

In the United States this information is supplied largely by the Foreign Agricultural Service—regarded by users as the world's most comprehensive reporting service of its kind.

Out of the FAS reporting, analysis,

and publications program comes information which helps the U.S. exporter to sell wheat; the U.S. importer to buy coffee; the Food-for-Peace program—and citizen organizations like CARE—to learn where world hunger exists and how best to cope with it.

Attaché System 80 Years Old

Agricultural attachés are the core of the global agricultural intelligence system operated by FAS.

The system started in 1881, when Edmund J. Moffat was sent to London to provide "accurate reports of crop prospects, valuable statistical exchanges, and miscellaneous information of value to the U.S. Department of Agriculture and the agriculture of the country."

The job of our attachés is still the same—but it has become increasingly complex. Stationed at 53 key posts around the world, attachés and their trained foreign assistants cover over twice as many countries. They forward to Washington each year the staggering total of 2,000 scheduled re-

ports, 5,000 spot news reports, and 2,500 foreign publications.

Their reports cover production, trade, and consumption of over 230 agricultural commodities, ranging from wheat to walnuts. Much collateral information is also supplied: government policies, "common market" coalitions, foreign currency and credit availability, trade balances, labor situations, bilateral trade obligations—as well as facts about weather, market demand, prices, and changes in farming techniques.

The attaché is not a mere "reporter." He must interpret the information he gathers and evaluate its usefulness to U.S. producers and consumers and to government policy-makers.

How does the attaché get his facts and figures?

In countries with efficient agricultural statistical services and highly developed farming and marketing systems, the job is simplified—if the country makes its data available.

In many countries, however, there are gaps and variations in official

figures. Their accuracy is sometimes questionable.

In much of the underdeveloped, or emerging, areas of the world, agricultural statistics are inadequate. Gathering data "from scratch" in these areas is often made more difficult by lack of roads and communications, high illiteracy, and the fact that producers are scattered over vast areas. The attaché must often use great ingenuity and energy in collecting his basic information. He may have to rely on personal interviews with parish priests, migrant traders, and tribal headmen. This can mean arduous travel. (A trip by car around the new Republic of the Congo takes over 3 months under the most favorable conditions.)

Sometimes the job of estimating a crop becomes a do-it-yourself project. One attaché in a cocoa-producing country has worked out a system of jeeping through the major cocoa areas, stopping every 2 miles, hiking into the groves, and actually counting the pods on a sampling of trees. By repeat trips to the same trees he can gauge the season-to-season differences.

It's a big job, but the attaché is getting more and more help. Commodity specialists from Washington work with him in evaluating the situation regarding a specific crop. Increasingly valuable help is also being given by thousands of foreign technicians, officials, and farm leaders who have returned from the United States after participation in foreign training programs which FAS helps administer.

Fitting the Facts Together

The FAS attaché report is the first step in the production of useful agricultural intelligence. The second is the fitting-together of related facts by economic analysts in Washington with expert knowledge of a commodity, an area, or both.

For instance, the U.S. attaché in Bangkok may report that the Thai rice crop is 3.5 million piculs larger than usual or that growers have upped their price 20 bahts. Thailand is one of the world's major rice suppliers; and half the people in the world rely on rice as the mainstay of their diet. The United States also is a major rice exporter, although it produces only about

one percent of the world's crop.

Thus the information about Thai rice becomes part of a larger picture—of importance not only to millions who subsist on rice, but to U.S. rice growers in Texas, Louisiana, Arkansas, and California who rely on exports for an important part of their income.

Against this background, the FAS specialist must decide, Does the Thai report jibe with other reports? How much rice may be exportable (considering carryover stocks and domestic use)? How does the price compare with comparable U.S. grades and qualities? How does it compare with world market prices? What is the situation in other rice-exporting countries, and in rice-importing ones? How much of Thailand's rice is already committed through bilateral trade agreements?

The FAS specialist as a processor of such agricultural facts is working in a dynamic, expanding field. Dietary habits change. Farming methods advance. Demand-and-supply patterns shift. Science gives birth to new agricultural products, and buries others.

The Carolina indigo that was traded around the world a century ago has been replaced by synthetic dyes. New England whale oil has been supplanted by vegetable oils made of soybeans and cottonseed and a host of other oil-bearing materials. At the same time, the life of many natural products (such as rubber) is being extended by research on new uses and byproducts.

Facts Available to All

Who gets the intelligence produced by FAS? How do they use it?

The reporting system is set up specifically to serve the needs of U.S. agriculture. In addition, the global information is broadly shared. International organizations and many foreign governments rely on FAS for dependable facts and figures.

The International Coffee Agreement, for example, sets its trading quotas on the basis of the world coffee estimates made by FAS. And the International Wheat Agreement makes use of FAS intelligence to get the billions of bushels of wheat in world granaries to the people who need it, and yet protect both buyers and sellers.

The primary clients, however, are



At a Burmese cigarette factory, U.S. and Burmese manufacturers examine U.



John T. Phelan, USDA irrigation engineer, left, and Dr. Afif I. Tannous, FAS economist, right, discuss Egypt's growing citrus industry with farmers.



al Attaché Arthur M. Rollefson
being used in local cigarettes.



Above, Brazil's Agriculture Minister
Antonio Barros de Carvalho, front,
shows U.S. Agricultural Attaché
Ford M. Milam, left, through coffee
plantation. Right, A. Clinton Cook,
FAS marketing specialist, left,
inspects Mexican cucumber crop.



Left, William R. Hatch, U.S.
Agricultural Attaché now at
Dublin, saw grain moved by camel
while assigned to Tehran.



In a Greek orchard the attaché's local assistants get
crop data for FAS' global network of farm information.



Farmers on 15-acre farm near Bombay show U.S. Agri-
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At a Burmese cigarette factory, U.S. Agricultural Attaché Arthur M. Rollefson and Burmese manufacturers examine U.S. tobacco being used in local cigarettes.



John T. Phelan, USDA irrigation engineer, left, and Dr. Afif I. Tannous, FAS economist, right, discuss Egypt's growing citrus industry with farmers.



Above, Brazil's Agriculture Minister Antonio Barros de Carvalho, front, shows U.S. Agricultural Attaché Ford M. Milam, left, through coffee plantation. Right, A. Clinton Cook, FAS marketing specialist, left, inspects Mexican cucumber crop.



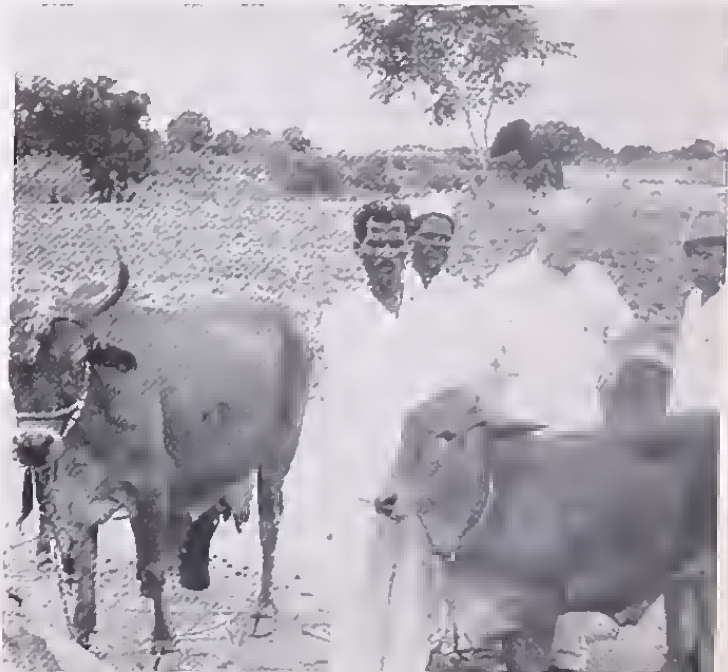
Left, William R. Hatch, U.S. Agricultural Attaché now at Dublin, saw grain moved by camel while assigned to Tehran.



In a Greek orchard the attaché's local assistants get crop data for FAS' global network of farm information.



Farmers on 15-acre farm near Bombay show U.S. Agricultural Officer Roy Sellers a Red Sindhi cow and calf.



U.S. producers, processors, and traders. For example, months ago a U.S. seed company foresaw increasing demand for higher yielding varieties of seed in the newly developing countries south of the Sahara. FAS information on the staple food crops of these peoples, the varieties of seed that would best grow—and the limitations imposed by soil and climate—benefited both trader and consumer.

Other users of FAS intelligence are bankers and brokers, farm and trade organizations, libraries, trade journals, shipping and railroad companies, universities and colleges, hotel suppliers, quartermasters, newspapers, TV and radio networks, manufacturers of pharmaceuticals, fungicides, and farm equipment—and Mr. John Q. Public who wants to know what's going on in world agriculture.

Pipelines of Facts

FAS releases over 5,000 reports a year on some aspect of foreign agriculture—in direct answer to individual queries and through several series of free publications.

Foreign Crops and Markets, issued weekly, carries an average of 50 stories per issue (plus a monthly supplement of world statistics) on a wide variety of products and foreign trade developments. It was first issued in 1919.

Foreign Agriculture Circulars advise specific segments of agriculture on world developments affecting sales or supplies of special commodities.

Foreign Agriculture, a monthly illustrated magazine, reports and interprets world agricultural developments.

Information is also made available as press releases, fact sheets, visual chart books, economic studies, outlook reports, radio tapes, and films describing special situations abroad.

Looking forward, FAS hopes to expand its global information gathering service, with greater emphasis on foreign market news. Under such a setup agricultural representatives stationed in certain of the world's major cities of trade would add to the reporting system. At present, the system depends primarily on attachés, who are usually based only in foreign capitals which are not always the marketing centers of the countries.

Rumania Again Sets Ambitious Goals For Agriculture in New Six-Year Plan

Rumania's third Economic Plan aims at a 70- to 80-percent increase in agricultural production by 1965 over 1959 levels.

So sharp a rise indicates a large increase in agricultural exports, since Rumania's low rate of population growth (1.7 percent a year) and already adequate per capita daily intake of 2,800 calories suggest that little of the planned production increases are for home consumption.

The current 6-year plan was set in motion by a May 1960 directive a year before the end of the preceding Five Year Plan, which failed to meet its goals for grain and livestock by 35 percent and 25 percent, respectively.

Production of cereals and livestock is again emphasized, though the use of cereals would be stressed for feed rather than for food as in the past. Grains will continue to be an important export item.

Steep goals are set for livestock: 16 percent more sheep, 30 percent more cattle, and 74 percent more swine. Increased production would go into the export market and also undoubtedly bring about a domestic diet change of increased animal proteins, decreased vegetable proteins.

To step up livestock production, the Rumanian Council of Ministers authorized the granting of long-term interest-free loans in 1961 of \$87 million to purchase livestock and \$17 million for the construction of livestock barns.

The Plan's goal of increased farm mechanization calls for one conventional 15-horsepower tractor unit per 165 acres in place of the current ratio of 1 tractor to 470 acres. This means 150,000 tractor units by 1965, or doubling present tractor production. However, even should this production capacity be attained, it would seem unlikely that domestic use will increase as planned so long as Rumania continues the policy which in 1959 exported two-thirds of that year's increase in tractor production. Plans also call for a 30- to 40-percent increase in other farm machinery, notably corn pickers, combines, and seeders. Such

an increase would make Rumanian grain mechanization roughly two-thirds that of the United States in 1954.

Another part of the plan to increase crop production calls for upping the use of chemical fertilizers from 4.7 pounds of plant nutrients per acre to 45 pounds in 1965. (Bulgaria, with a similar type of agriculture, uses an average of 48 pounds per acre.) Largest problem will be the necessity for a ninefold increase in fertilizer manufacturing capacity.

These ambitious aims—the hallmark of each succeeding multiyear plan—are probably dictated by internal propaganda needs rather than any conviction that such large increases can actually be attained.

The Rumanian Communist government has set its 1965 agricultural goal figures by counting on an annual rate of increase based on that of 1959, a year of postwar record agricultural output in all Danubian countries because of favorable climatic conditions. Moreover, 1959 was more than 15 percent above the 2 previous years—and between 1950 and 1959, agricultural production increased in 5 years, decreased in 3 years. The increases averaged 9.6 percent, the decreases 13 percent a year. Such comparatively large fluctuations should figure appreciably in setting achievable goals.

Also, it is unlikely that farm machinery and fertilizer industry output can continue to increase at the current rapid pace made possible because it began from such a low base.

If a 1956-59 average increase is taken as the base period, Rumania's agricultural goals for 1965 would show a 100- to 108-percent increase, rather than the 70-80 percent forecast over the 1959 base. But it is estimated that the maximum agricultural increase attainable by 1965 could not be more than 50 percent. Even such an increase would have no parallel in postwar European history. Consequently, assuming very favorable weather conditions, either 1967 or 1968 would have been a much more realistic completion date for the current plan.

Western European Agriculture: A Review

Western Europe's remarkable growth in agricultural production has no parallel in its past history. The likelihood of continued increases, aided by Common Market policies, poses a problem for future U.S. exports to the area.

By **ELFRIEDE A. KRAUSE**
Regional Analysis Division
Economic Research Service

Foreign outlets are of great importance for U.S. agriculture—one-sixth of total U.S. farm products go abroad. For major export products like wheat, feed grains, rice, cotton, tallow, and tobacco, sales abroad are important.

Western Europe itself takes more than two-fifths of U.S. agricultural exports, so that developments in these markets are of major concern to American agriculture.

At first glance the outlook for U.S. exports to this market certainly looks favorable. Western Europe's remarkable comeback after the war, growing prosperity, and improvement in living standards are well known. Lack of foreign exchange is no longer a problem for most of the countries.

However, competition for this market is keen, not only from overseas competitors, but above all from the West European producers themselves. Though these farmers produce only a small part of their cotton and tobacco requirements, they raise more than three-fourths of their food, in terms of calories. This percentage is growing. Any attempt to assess the future potential of the West European market must begin with a look at its agriculture.

Western Europe, as the term is used here, covers all of Europe west of the Iron Curtain, including Finland and Greece, excluding Yugoslavia. This area has a population of about 300 million, two-thirds more than the United States. Its total area is slightly over one-third that of the United States, including Hawaii and Alaska. It has less than one-third as much agricultural land, but nearly three-fifths as much arable land as the United States.

Western Europe in 1958 had nearly 11 percent of the world's population and produced 16 percent of the world's output of agricultural commodities (based on dollar values). The United States with only 6 percent of the

world's population also produced 16 percent of total world agricultural output. Western Europe could feed itself at the average world consumption level, but is a major net importer because of the relatively high quality of its consumption.

North and Central Areas

In the central and northern areas of Western Europe the characteristic type of agriculture is integrated crop and livestock farming, with emphasis on livestock raising. Livestock products are the chief source of farm income. Climate and soils are favorable for grasslands in most of the area and forage crops cover a large part of the agricultural land. Wheat, rye, and potatoes are grown both for food and for feed—barley and oats mostly for feed. Corn is important only in France.

Sugar beets are grown in all countries except Norway. Truck farming is frequent near large consuming centers, and is a significant specialty of agriculture in part of the Netherlands, Belgium, France, and West Germany. Fruit orchards are common. Wine is a major specialty in France, and a minor one in West Germany, Austria, and Switzerland.

Northern and central Western Europe has a total agricultural area of about 250 million acres—44 percent in temporary or permanent grassland, 17 percent in rough grazings. Over half of the nearly 60 million acres sown to grains is devoted to feed grains. Since some of the remaining arable land is also under feed crops—fodder beets and potatoes among them—and some of the food crops are used partly for feed, it is certain that more than three-fourths of the area's farmland produces feedstuffs for its livestock industry. Nevertheless, additional feedstuffs are imported in substantial quantities, especially grains and oil cake. Conversion of imported feeds into livestock products represents a major sector of agriculture in a number of these countries, for example, Denmark.

There are some 60 million head of cattle, 45 million hogs, 40 million sheep, 5 million horses, and nearly 400 million fowl in the total area.

Mediterranean Areas

Agriculture in the Mediterranean countries bears little resemblance to that of the rest of Western Europe. Arable farming is greatly handicapped by climate and topography. Annual rainfall is frequently insufficient and its seasonal distribution is unfavorable for most crops—summers are hot and dry. The climate does, of course, have advantages for such crops as citrus fruit and olives.

All Mediterranean countries have a high proportion of mountainous and hilly land, mostly denuded of its original forest cover and subject to severe erosion. Many large areas are suitable only for grazing sheep and goats.

The integrated crop and livestock farming characteristic of the rest of Western Europe is not common in the Mediterranean area, where livestock accounts for a relatively small part of farm income. Forage crops and grassland are important only in northern Italy's Po Valley, which has a highly developed agriculture quite unlike that of underdeveloped southern Italy.

Grains, especially wheat, are the most important product in all of the Mediterranean area. Roughly half of the calories in the diet are provided by grains, chiefly wheat. Rice and corn, also used considerably for food, are grown in all these countries. Production of grains for feed is of less, though growing, importance.

Fruit trees and vines, both in specialized groves and vineyards and interspersed with other crops, are very common. The most important fruit is the olive—olive oil is the principal fat in the diet. Grapes are used mainly for wine, though in Greece dried currants and sultanas are a major export.

The Mediterranean area, particularly Spain and Italy, is a major supplier of fruit (especially citrus fruit) and

early vegetables to the rest of Western Europe. Cotton is an important crop in Spain and Greece. Tobacco is grown in all the countries except Portugal and is Greece's chief export.

The Mediterranean area has nearly 190 million acres of agricultural land, one-fourth less than the rest of Western Europe. Over 40 percent of this is permanent grassland, in large part rough grazing land. Nearly 60 percent of the agricultural land is classified as arable, including orchards and vineyards. The proportion of fallow land is high in some areas, especially in Spain. Over two-fifths of the arable land is planted to grains, nearly one-fourth to wheat alone.

The four Mediterranean countries together have about 13 million cattle (nearly two-thirds of them in Italy), 5 million horses, mules, and asses, 9 million pigs, 40 million sheep, and 10 million goats.

Small-Farm Problem

The majority of farms in Western Europe are owner-operated family farms, though in the Mediterranean area many farms are run under various tenancy arrangements. Farms generally are small, though by European standards they are large in the United Kingdom, Denmark, and France. In the United Kingdom, where farms are largest, the average size is 65 acres.

The Organization for European Economic Cooperation terms the prevalent small farm units Western Europe's principal agricultural problem, because their lack of natural, human, and economic resources does not permit the application of modern management techniques.

The problem is aggravated in most of the countries by excessive fragmentation of holdings. The difficulties of transportation of equipment and the waste of time involved in getting from one plot to another make efficient operation of such farms nearly impossible. Consolidation of the small, scattered plots is being attempted in greater or less degree over most of Europe. To assure success, most governments link other improvements with consolidation, although this increases the cost.

The Mediterranean area has some

large, extensively cultivated estates, which give rise to social and political problems. Land redistribution and reclamation programs have been undertaken, particularly in Italy, in an effort to improve the situation. Because of the large number of landless farm laborers in relation to available farming land, farms created through land redistribution are generally so small that heavy capital input is required.

Agricultural Output Rising

Agriculture in Western Europe has made rapid strides in recent years.

According to FAS indices, West European agricultural production during the past three crop years (1958-60) was about 38 percent above prewar (1933-37 average). Even on a per capita basis the increase amounted to 16 percent, most of which occurred during the 1950's after prewar levels were regained.

Three years ago FAS concluded that total agricultural productivity (output per unit of input) in central-northern Western Europe had increased 2 percent annually during 1950-56. Labor productivity (output per unit of labor input) increased 4 percent annually. A similar rate of increase probably has continued since then. It is likely that the Mediterranean area, starting from a lower base, has not lagged far behind.

This increase in agricultural output has been remarkable, even allowing for the good weather that helped postwar recovery. The rate of agricultural production growth has no parallel in West Europe's past history.

Technological Progress

Principal reason for this increase in production is, not surprisingly, technological progress. Between the two World Wars this progress was largely confined to a few advanced countries or progressive segments of farming communities. Science was far ahead of its practical application on West Europe's farms. But since World War II, science has found its way to the average farm.

West Europe's consumption of fertilizer, compared with prewar, has more than doubled. In 1959-60 consumption of fertilizer, in terms of plant nutrients, averaged about 90 pounds per acre of arable land, ranging from some

180 pounds per acre in the Netherlands down to barely 30 pounds in Spain, Portugal, and Ireland.

The number of tractors in Western Europe has increased over 13 times since before the war—from about 200,000 to 2.6 million in 1958. (This compares with 4.8 million in the United States in 1959.) In terms of cropland per tractor, the average for West Europe was about 90 acres in 1958. This ranged from 30 acres per tractor in West Germany to over 1,500 in Spain and Portugal.

Use of other mechanized equipment has similarly increased. In England and Wales, Denmark and Sweden, more than 80 percent of all cows are now milked by machine.

Substantial progress has also been made in grassland management, plant and animal breeding, livestock feeding, control of diseases and pests, and—especially in the Mediterranean area—land reclamation and irrigation.

Though the greatest stimulus to technological progress, especially in the industrially developed countries, has been the loss of farm labor to industry, all West European governments have actively encouraged better farming methods—through research and extension services, farm credit facilities, and other measures.

Governmental Protection

West European agricultural production is expanding not only because of higher productivity, but as a result of protectionist measures which make otherwise uneconomic production profitable. These policies, designed to offset deficiencies in natural, economic, and human resources, raise farm income—but at the consumer's expense.

The principal protectionist tools are:

- Quantitative import restrictions. Considerable progress has been made in eliminating them in West European countries through the General Agreement on Tariffs and Trade, but many agricultural items still are controlled.
- High tariffs.
- Variable import levies.
- Government trading and trade monopolies—in France, Germany, Austria, Switzerland, and Spain, among others.

(Continued on page 20)



Rotterdam—Gateway to World Markets

Destroyed by the war, the port of Rotterdam has risen steadily in the last 15 years to challenge New York for the top position among world ports.

By **ROBERT H. REED**
Foreign Agricultural Service

In their great world port of Rotterdam the Dutch have demonstrated that modern-day business can function efficiently in a setting that still has some aspects of the 13th century, when the city was founded.

U.S. tourists are generally content with a visit to centuries-old museums and churches, particularly the *Nieuwe Kerk* at Delft, a short distance away, where lie the remains of William the Silent, the George Washington of the Netherlands. Or else they choose to visit the Delftshaven area to stand on the spot where the little band of Pilgrims set off on their journey to the New World in 1620. There, a block-long street has been kept exactly as it was when the voyage began.

To the American farmer and the exporter of agricultural products, however, this port of Rotterdam has special meaning. Many of the great ships and freighters that lie at anchor there are the ones that carry our wheat, feed grains, oils and oilseeds, cotton, tobacco, rice, fruit, animal products, poultry, and other commodities not only to the Netherlands but to most of

the countries of Northern Europe.

Rotterdam is the gateway to this vast overseas market, and as such it is the world's largest transshipment port. More than 73 million tons of cargo pass through the *Nieuwe Waterweg* (New Waterway) to anchorage in Rotterdam, a tonnage exceeded only by the Port of New York.

U.S. agricultural products account for a big share of this tonnage. In 1960, \$339 million worth of our food, feed, and fiber went to the Dutch themselves and perhaps twice as much passed through the port on the way to West Germany, France, Switzerland, Belgium, Norway, Sweden, and Denmark. The Netherlands is the fifth largest buyer of our farm products and the greatest transshipper.

It is natural that the U.S. Agricultural Attaché should find many of his duties in the port area. In the 4½ years I served in the Netherlands I saw and reported such events as:

The arrival of the 5-millionth bale of U.S. cotton for Dutch spinners.

The homecoming of the *Willem Barendsz*, the great whaling ship, back from 6 months in the Antarctic. I went aboard and talked to the skipper about his catch, for whale oil is still a

factor in the world's fats and oils trade.

The unloading of 50,000 boxes of apples and pears from the Pacific Northwest. This immediately followed the lifting of the seasonal Benelux ban (September to March), so I was witnessing the creation of a new market.

A freezer storage full of U.S. broilers and turkeys, the first to enter the Netherlands. Not until late 1958 did the Dutch lift their veterinary restrictions on our poultry. Again I watched the creation of a new market.

The use of floating elevators to unload the 6 million tons of grain that arrive annually in the Waalhaven section of the port—2 million tons to remain in the Netherlands and 4 million to be reloaded into river and canal barges for northern Europe.

The weekly auction of oranges, lemons, and grapefruit from Florida, California, and the Rio Grande area. This is a market that brings home millions of dollars to U.S. citrus growers.

The unloading of U.S. soybeans—some 16 million bushels a year—to provide the oil and meal needed by the Dutch people and their livestock.

In addition, I watched the arrival of rice, canned and dried fruit, even fresh carrots, and the first of the U.S.

First Purchase of U.S. Wheat Reaches Burma



When the S.S. *Nissei Maru* docked at Rangoon in April, it had aboard 600 tons of Western white wheat from Portland, Oreg.—the first commercial sale of U.S. wheat to Burma.

This shipment crowned a vigorous joint effort by the Burmese Flour Mill Association, the U.S. Wheat Associates, and FAS, to promote interest in wheat and wheat products among the Burmese. Burma is one of the world's great rice producers, and its people have traditionally been consumers of rice. But since the building of the first Burmese flour mill 4 years ago, the wheat-milling industry has expanded to six plants with an annual capacity of 75,000 tons. The rapid growth of this new industry is a measure of how wheat is winning its way in Burma.

The photo at left shows a closeup of one of the two giant hoppers into which the wheat was unloaded from the ship by means of basket slings. From the hoppers, it was poured into bags for delivery to the mills.

frozen packaged foods that are beginning to appear in the brand-new freezer cabinets in Holland's brand-new supermarkets.

Nature, of course, decreed that Rotterdam should some day be a great port when it brought together two of the big rivers of Europe, the Rhine and the Meuse, but the Dutch people themselves have made sure that the city and its port remain modern and efficient despite staggering difficulties.

War laid a devastating hand on Rotterdam. Not only was the center of the city bombed to the ground, but harbor installations were destroyed. The city has been restored. While clinging to Dutch tradition in architecture, the new buildings are modern and imposing; and, set in an antique frame, they help make Rotterdam one of the truly beautiful cities of Europe.

Even before the smoke of war had cleared away, plans were complete for a new city and a new port, one designed for efficiency and continuous growth. The city took possession of all ground touching on the waterway, indemnifying the previous owners. This made it possible to develop the port as a single, if complex, unit, equipped with the most modern de-

vices for quick and economical handling of ships and cargoes.

To its advantage, the port of Rotterdam is hooked up to a network of railroads and highways leading to all Northern European cities. An oil pipeline into Germany is an outlet for the large and increasing quantity of oil that is handled in the port. However, more than 90 percent of the tonnage that moves through Rotterdam is waterborne. Some 200,000 small craft that travel the rivers and canals come into the port annually to share the cargoes of the 23,000 big oceangoing vessels. Most of this traffic runs in a bow-to-stern procession up the Rhine.

The Dutch, who have spent almost 20 centuries wresting their land from the sea and are not yet finished with the job, have still to realize fully their dream for the port of Rotterdam. Geographically, Rotterdam lies about 18 miles from the sea, to which it is connected by the straight-running man-made seaway, built, or dug, under the direction of the celebrated engineer, Pieter Caland, in 1870. It is approximately a mile wide and deep enough to accommodate all but the largest of oceangoing ships. With its radar controls, ships can proceed safely along the

Nieuwe Waterweg in heavy fog.

Now the port authorities are in the early stages of extending the port the full length of the waterway and equipping it to handle vessels up to 100,000 tons. The Botlek (a harbor dug out at the mouth of a river) and the Europoort (Gateway to Europe) are under construction. When complete, a few years from now, the Dutch hope and believe it will give Rotterdam the No. 1 position among the world ports. The Botlek and Europoort are designed chiefly for the handling of petroleum and for an expanded steel industry, but the Botlek will also increase Rotterdam's grain-handling facilities.

Rotterdam's hope of becoming the largest port is not based on the thought that bigness itself is a goal; rather, the Dutch see an enlarged port as a symbol of trade flowing without hindrance between the nations of the world.

American agriculture will always have a stake in the port that the Dutch call "freer than free," meaning that not only is a cargo afloat free of customs duties but also free when stored anywhere within the city. This is the door to great dollar markets, and holding and expanding these markets is a challenge to U.S. agriculture.

Central American Economic Integration on the Way

By MARY S. COYNER
Regional Analysis Division
Economic Research Service

The Central American nations have been striving for the last 10 years toward a program of economic integration that would create a free trade area and, in time, a customs union.

The leader in the integration movement has been the Economic Commission for Latin America (ECLA), which in 1951 during its Fourth Session adopted a resolution concerning the "economic development of Central America." The draft of this resolution had been presented to the meeting by the delegations from Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua. A committee—the Economic Cooperation Committee of the Central American Isthmus—composed of the Ministers of Economy of these five countries, was formed as an organ of the United Nations, to act as a coordinating agency for activities relating to integration.

Since 1952 the economic integration program of Central America has developed with the cooperation of the ECLA and several United Nations agencies. Delegates to the first meeting of the Economic Cooperation Committee held in August 1952 agreed that integration should be adopted gradually, on the basis of mutual cooperation. They agreed that transport and electric power development and the formulation of a Central American trade policy were essential in carrying out economic integration and development. They also recognized the urgent need for developing agriculture and the livestock industry.

Subsequent meetings of the Committee further implemented the Central American integration program. At Tegucigalpa, Honduras, in June 1958, a Multilateral Treaty of Free Trade and Economic Integration was signed. Under terms of the treaty, free trade was provided for about 200 items and the number of such free trade items was to be expanded within a period

of 10 years. This treaty was signed and ratified by Guatemala, El Salvador, Nicaragua, and Honduras. Two agreements relating to highway transportation signed at the same time are in effect.

An Agreement on a System of Integrated Industries, also signed at Tegucigalpa, complements the Free Trade Treaty. The purpose of this agreement is to encourage the establishment of new local industries and the expansion of existing ones. These industries would have access to the Central American common market on a preferential basis.

Program Stepped Up

In order to "accelerate the program of economic integration" three countries, Guatemala, Honduras, and El Salvador, in February 1960 signed a Treaty of Economic Association which became effective in April 1960. Articles of the Treaty pertaining to the common market provide for immediate free trade for natural and manufactured products of the signatory countries, subject to certain limitations.

At San José, Costa Rica, in April 1960, the Economic Cooperation Committee approved a protocol calling for immediate formation of a limited free trade association between El Salvador, Guatemala, Honduras, and Nicaragua. Costa Rica and Panama may join as equal partners at any time.

The most recent step has been the signing of the General Treaty of Central American Economic Integration in December 1960 by Guatemala, El Salvador, Nicaragua, and Honduras.

This agreement, similar to the earlier one signed in February 1960, broadens the scope and sets up more specific means of financing integration. It incorporates provisions of the Convention on the System of Integrated Industries signed in 1958 and further provides that the four contracting parties may proceed with industrial integration arrangements.

It provides for the establishment of a common market among the contracting parties within 5 years after the

treaty becomes effective. The contracting parties grant immediate free trade for all products, except for those on a special list, which if granted free trade immediately would cause injury to existing producers. These products would be granted free trade by the end of the fifth year.

Certain agricultural commodities, however, such as rice, corn, and sugar, may not be traded freely until the conclusion of a Central American commodity agreement which is still to be worked out. Coffee, coffee products and cotton remain subject to import and export duties indefinitely.

The new agreement provides for the establishment of a Central American Bank for Economic Integration to finance and promote integrated economic growth. A Central American Economic Council, composed of the Ministers of Economy, was created to direct the economic integration and to coordinate economic policies. This Council is charged with carrying out the resolutions of the Economic Cooperation Committee of the Central American Isthmus. An Executive Council, composed of one official and an alternate appointed by each contracting party, was created to implement and administer the General Treaty and to take necessary steps to put into practice the Central American economic union.

Accomplishments to Date

One of the concrete achievements of the integration program is the Advanced School for Central American Public Administration established in 1953 at San José. Another is the Central American Institute of Industrial Research and Technology established in 1956 and located at Guatemala City. Both are supported by the governments of Central America, with contributions from the United Nations. One of the Institute's principal objectives is the planning and establishment of new regional industries. The Institute also offers technical assistance to governments and private industries.

In cooperation with the ECLA, the United Nations Technical Assistance Administration has provided experts to study and make recommendations on various phases of economic develop-

ment, among them transportation and electric power. Many of the recommendations made by this group have been followed. Negotiations, under way intermittently since 1956, for the establishment of a paper and pulp industry in Honduras by American investors are continuing.

The Committee for Economic Cooperation evolved a uniform customs nomenclature for Central America which has been adopted and is in effect between the five Central American countries and Panama as well.

Interest to U.S. Agriculture

The United States is the largest market for such Central American products as coffee, bananas, and cacao. Central America also produces considerable cotton, but this does not go to the United States, nor do live cattle and meat products, which are of rising importance in Central America.

Most of the imports into Central America come from the United States—wheat and/or flour, dairy products, fats and oils, and processed foods.

Economic integration will probably affect commerce with the United States by increasing trade within the area for foods and other agricultural products. Imports of dairy products and animal fats from outside the area will probably decline with improvement and expansion of the livestock and dairy industries. But Central America will be buying its wheat and flour elsewhere for a long time and the United States should be able to maintain its position as chief supplier of these products.

Western Europe's Agriculture

(Continued from page 16)

- Export subsidies—much more modest than a few years ago.
- Fixed or controlled prices for key products.
- Direct deficiency payments—important only in the United Kingdom.
- Producer and consumer subsidies

Common Market Impact

The effects of recent moves toward integration in Western Europe, particularly the Common Market, cannot as yet be gaged. The European Economic Community, or Common Market, now includes France, Ger-

many, Italy, and the Benelux countries and may soon also include Greece. It calls for eventual elimination of all tariff and other restrictions on trade between member countries, and for common tariffs to the outside world.

Common Market nations also propose to adopt a common agricultural policy—the matter on which they find it hardest to agree. Under present plans, certain protectionist measures of some of the countries would apply to all. High-price countries, such as Germany and Italy, appear to be unwilling to lower their prices. If the ultimate decision puts common prices at a high figure, production in hitherto low-price countries, such as France, will surely expand.

Probable effects of European integration do not look promising from the standpoint of U.S. agriculture. It is too early to make any predictions, since the Common Market's agricultural policy is still in the process of development. Results will interest U.S. farm producers, since the U.S. stake in the West European market is high.

World Food Deficit

(Continued from page 8)

tons. Slightly larger needs are projected for 1965.

Remaining calorie deficit, in terms of wheat. The figures reflect net additional supplies required to raise the calorie level of the diet to minimum standards. Additional needs for 1962 are: Communist Asia, 7,000,000 metric tons; Western Asia, 1,570,000 metric tons; total, 8,570,000 metric tons. Here again, somewhat larger needs are projected for 1965.

In applying these data, it should be noted that the very large tonnages of wheat reflected in the two preceding categories could not readily be moved into the deficit areas and distributed through existing port, inland transportation, and other facilities. Also, government policies and long-standing food habits are important factors. Insofar as the food shortage in deficit countries is filled from outside sources, it will involve use of foods that meet desires of the people, improvement of distribution facilities where needed, and use of special measures to compensate for low purchasing power.

Greece's Agricultural Economy

(Continued from page 4)

levels of a quarter-century ago.

● *Increased consumption.* While the caloric intake is still low compared with the countries of northern Europe, the people are probably better fed than ever before and the consumption of fruits and vegetables has gained.

● *Higher farm income.* The income of the farm population, while still very low, increased from an equivalent of \$146 per capita in 1938 to \$165 in 1954 and \$202 in 1959 (at 1959 prices).

● *Technological advances.* Research facilities, the extension service, and the agricultural bank have made it possible for farmers to obtain improved varieties of crops, better breeds of livestock and poultry, equipment, fertilizers, insecticides and fungicides, and the other things they need to improve output and quality.

The problems include the following:

● *Uneven distribution of productive land.* Progress has been possible mainly in the valleys and on the plains. Many families in the mountains and on the islands are still on a subsistence basis and need relief distribution of food for part of each year.

● *Shortage of arable land.* Even in the more productive areas, farmers do not have enough land and the strips are widely scattered. Both of these factors retard the adoption of efficient methods of cultivation and keep the people at a low level of income. The 1 million farm families have 9 million acres of arable land or an average of 9 acres per family. (We have 121 acres per family in the United States.)

● *Competition in export markets.* Greece depends on agricultural exports as the largest source of foreign exchange. World markets are becoming increasingly competitive and prices for Greek exports have been declining.

● *Limited purchasing power in Greece.* While sales of some farm products have increased in the local markets, the purchasing power of the average Greek consumer is still very low. (The national income in 1959 was only about \$291 per capita.) Thus there is a limit to the possibility of finding satisfactory outlets at home for the increasing output of the farmers.

Soviet Agriculture Makes Top Administrative Changes

By Lazar Volin
Regional Analysis Division
Economic Research Service

A major reorganization of the administration of Soviet agriculture on the central government level was announced on February 21, 1961. Later, adjustments were announced also in organization of the various Republics' agricultural setups.

This step was taken as the aftermath of a prolonged critical review of the agricultural situation at the plenary meeting of the Central Committee of the Communist Party in January, followed by a number of similar meetings in important agricultural regions. Most of these meetings were attended by Prime Minister N. S. Khrushchev, who made lengthy speeches expressing dissatisfaction with the setbacks and failure of agriculture to fulfill the goals set by the government plans.

Ministry of Agriculture

According to the new organizational scheme, the Ministry of Agriculture of the USSR is responsible primarily for research, for informational activities relating to it, and for higher and intermediary agricultural education. Many of its operational functions were transferred earlier to the Ministries of Agriculture of the 15 constituent Republics. The reorganized Ministry of Agriculture of the USSR will thus roughly correspond functionally to the Agricultural Research Service and Extension Service of the U.S. Department of Agriculture with supporting information activities.

The Gosplan (the State Planning Committee) is responsible for: State farm production, forestry, national land utilization, the economic and financial analysis of collective and state farming, the analysis of the fulfillment of current agricultural production plans and of the progress of the principal farm field operations as well as of irrigation projects.

The Central Statistical Administration of the USSR deals with reports

and accounts of collective farms and is to render assistance to them in setting up accounting systems.

New Supply Agency

A new organization (*soyuzsel'khoztekhnika*), directly under the Council of Ministers of the USSR, is to act as middleman between state industry and agriculture, supplying the latter on a commercial basis with machinery, fertilizer, spare parts, fuel for tractors, and other production needs.

The creation of this new high-ranking agency was a result of considerable dissatisfaction in Soviet agricultural circles which felt that the Ministry of Agriculture did not pay sufficient attention to the requirements of collectives and state farms. Implements were sent to districts where they were not needed; other districts which could use the implements were left without them. Insufficient attention was paid to regional differences in manufacturing. Similar complaints were voiced when liquidation of state machine-tractor stations and sale of their tractors and other farm implements began in 1958. It remains to be seen whether the new agency will be able to remedy these shortcomings.

Parallel with the reorganization of the supply apparatus, the government reduced the prices charged to farms for fuel and implements, an estimated saving to the collective farms during the year of 539 million rubles of the new currency, which is equivalent to about 3.9 percent of the total cash earnings of collective farms in 1959.

No details were disclosed in the decree setting up the new agency regarding another important unsettled problem of collective agriculture, that of repair facilities for farm machinery. Following the liquidation of machine-tractor stations, repair work was supposed to be taken over by special units, RTS (repair technical stations), which numbered 3,500 on January 1, 1960.

Considerable dissatisfaction, however, developed with the operation of the RTS and a number of collectives

assumed this function themselves, often creating for this purpose joint intercollective servicing organizations. The decree calls for a transfer to the local branches of the new agency of all state-owned repair and servicing facilities as well as of stores and warehouses distributing farm supplies. It is not known at present how active the agency will be in the repair field.

Purchase Methods Under Fire

Changes were announced on February 26, 1961, in the system of state purchase of agricultural products. A previous important reorganization in 1958 merged multiple types of procurements and of prices into a consolidated system. Various faults were found with this system by Khrushchev and were voiced by the new decree. Procurements, it is claimed, are carried on by many agencies "without proper state control of their operations." There is lack of unity and proper coordination, and there have been many instances when the quantities and quality of the delivered products were incorrectly determined.

Probably the most serious accusation of weakness against the present procuring system, from the Soviet point of view, is that it does not exert proper influence on increased production by collective farms. The steeply increased government procuring goals for the next few years and the disappearance of the machine-tractor stations, which were a potent instrument of state control over collective agriculture, probably contributed to the official feeling that "teeth" must be put again into the government's procuring system.

The government decreed the return to the principle of so-called contracting with the collective and state farms for delivery of agricultural products in accordance with the planned goals for the different Republics and districts. Contracts of this kind, under collectivization, essentially spell out the obligations of collective farms for delivery of farm products for a period of 2 to 5 years with stipulations of quantities to be delivered each year. However, these contracts are subject to annual review. Here there is a loophole which may nullify the long-term character of such documents.

A new agency, State Procurement Inspection, will supervise procurement on the local level. The procurement inspectors are endowed with wide powers of supervision and with planning of procuring activities in the district, including the very important power to stop or limit cash advances to farms which do not live up to their obligations. The inspectors also participate in the planning by the collective and state farms' management "of measures for the further development and sale to the state of agricultural products and raw materials." They are to check on the way the farm management implements and complies with the contract, and to report noncompliance and shortcomings to district, provincial, and republican authorities.

The party and government authorities of the constituent Republics are directed to staff the inspectorate with the best "politically mature" and experienced people. The procurement inspectorate may become a very important agency of state control over farming at the grass roots level.

A new state Committee on Procurements of the Council of Ministers of the USSR will direct government purchases of farm products.

Another government decree criticized the time-consuming method of the sale of surplus farm commodities on the free collective farm market by individuals and collective farms. The government placed increased responsibility on the controlled consumer "cooperatives" taking over such trade through purchases from individuals at mutually agreeable, presumably competitive market prices and from collective farms on a commission basis. The consumer "cooperatives" are to increase their trading in farm products in the cities and workers' settlements, mainly on the collective farm markets, but also in their own network of retail stores.

A question may legitimately arise at this juncture: who coordinates the multiple government agencies dealing with Soviet agriculture and its problems? It is probably correct to assume that Mr. Khrushchev will be aided in this task, as heretofore, by the Agricultural Department of the Central Committee of the Communist Party.

U.S. Cotton Has Some Good Customers Among Countries on African Continent

For several years, FAS cotton marketing specialist Guy A. W. Schilling has been urging U.S. cotton exporters not to neglect the world's smaller markets for cotton in their search for increased sales abroad. Small sales make friends and may mean larger sales later; and even if the markets remain small because needs are small, they add up to very good business. From his latest round-the-world market development trip, Mr. Schilling returned with information on four African countries now doing this kind of business with U.S. cotton exporters.

The cottons of Egypt and Sudan are known the world over, and in Africa as a whole cotton is one of the most widely grown commercial crops. Yet, strangely enough, U.S. cotton has found markets in Africa. The Union of South Africa, Morocco, Ethiopia, and the Federation of Rhodesia and Nyasaland are buying a total of some 50,000 bales a year.

One may well wonder why these four countries are interested in U.S. cotton when their neighbors on the same continent grow cotton—and some very good cotton too. The reasons are as varied as the countries.

The most important consideration is price, and in this respect U.S. cotton has been highly competitive in recent years. Another is the fact that U.S. cotton is available under ICA financing arrangements. Also important are the regularity and uniform quality of U.S. supplies. And finally, there may be ease of transport, for in some countries U.S. cotton can actually move more quickly and cheaply to the processor than local cotton can.

By far the largest African buyer of U.S. cotton is the Union of South Africa. This country grows cotton itself. In 1959-60, out of the 80,000 bales or so required to keep its 200,000 spindles turning, 30,000 were local cotton, the rest from the United States, Sudan, Tanganyika, Peru, and Mexico.

Price is important to South African spinners, but regularity of supply perhaps even more so. With the second largest textile industry in Africa

(Egypt is first), the Union has a steady demand for cotton. Most South African spinners—especially those producing yarns of the lower counts—prefer to import U.S. cotton which they can get all year round, instead of cottons from short seasonal crops.

Morocco, whose 4 mills represent 37,000 spindles, grows extra long staple cotton which its own mills are not equipped to handle. This cotton Morocco exports, and for its home industry it imports about 10,000 bales a year, plus an equal amount of rayon fiber. In the past 3 years nearly all the cotton imports have come from the United States under ICA financing or with free foreign exchange, though some came from former French Equatorial Africa and a little from India. In 2 or 3 years, spindlage is expected to increase to 75,000, and needs for raw cotton will increase accordingly.

Ethiopia, a newer customer, had only one mill until 2 or 3 years ago; now there are 3, plus one in Eritrea. Spindlage totals 50,500 and is expanding. With no large cotton production of its own, Ethiopia imports a little over 10,000 bales a year from the United States under ICA financing or with free dollars, and buys the rest of its needs from neighbors, principally Sudan.

The Federation of Rhodesia and Nyasaland, for its one mill and 42,000 spindles, generally uses its own cotton and Tanganyika's. It does, however, from time to time also import both U.S. and Brazilian cotton. This purchasing pattern, which depends largely on price, can be expected to continue.

When Morocco and Ethiopia no longer need financial aid for their cotton imports, and when marketing and transportation improve for African cottons, sales of U.S. cotton there will depend—as in the other two African markets—on price, quality, and regular supply. However, new African states will eventually be building cotton textile industries. In those where no cotton is grown locally or the quality is not suitable, sales of U.S. cotton may be possible under aid programs like those in Northern Africa.



U. S. 1961 Tobacco Exports May Drop Below 1960 Levels

U.S. tobacco exports in calendar 1961 will probably fall somewhat behind last year's 495 million pounds. Several factors are responsible.

Stocks of U.S. leaf in several important markets are larger than a year ago. The United Kingdom last year purchased 26 percent more U.S. tobacco than in 1959. Shipments to the Netherlands were nearly two-thirds greater, and Japan took substantially more leaf from the United States than in 1959. None of these big markets is likely to buy as much in 1961.

Record tobacco crops in the Federation of Rhodesia and Nyasaland and in Canada, available for export in 1961 at prices undoubtedly lower than those for U.S. leaf, will provide stronger competition in world markets for the U.S. grower in 1961. The preferential duties extended to both Commonwealth countries will give them an even greater edge over the United States in the important British market.

Jute Shortage Encourages Mexican Istle Production

With jute currently in scarce supply as well as high-priced, Mexico last year encouraged the collection and processing of its native istle fibers, lechuguilla and palma, both of which can be substituted for jute in brushes and cordage.

The result was a sharp rise in exports, which went from 17.4 million pounds in 1959 to 19.8 million last year. Expectations are that an additional 2 million pounds will be collected, and possibly exported, this year. The United States, the Netherlands, and the United Kingdom are the three largest markets for the istle fibers.

New Export Record Set By U.S. Variety Meats

The United States is doing a booming export business in variety meats. Last year it shipped abroad 121 million pounds to establish a new record.

Stepped-up trade with the United Kingdom and France, following a lowering of import restrictions, accounted for most of the 33-percent gain. Exports to West Germany were up slightly.

In the last 10 years the market for U.S. variety meats has shown considerable change. In the 1951-55 period, the Netherlands led as a buyer, followed by West Germany and Canada. Last year West Germany was way ahead, the United Kingdom was second, and the Netherlands third.

Dutch Poultry Exports Up 6 Percent in 1960

The Netherlands, far and away the world's largest exporter of poultry products, sold \$159 million of these commodities in 1960. This was a 6-percent increase over the previous year.

Hen and duck eggs represented \$100 million of this total, poultry meat \$37 million. The bulk of both went to West Germany, with Switzerland next for poultry meat purchases.

The Dutch also exported live fattened poultry, day-old chicks (of the 32 million exported 29 million went to Italy), poultry preserves, and soups. This amounted to \$10.7 million.

Because of its big gains last year in sales of poultry meat, the United States caught up with Denmark as the Netherlands' nearest competitors. Both Denmark and the United States sold about half as much poultry products abroad as the Netherlands; each country's best customer was Germany.

Japanese Farm Imports Reach \$852-Million Peak

Japan's imports for 1960 of seven important agricultural commodities were a record-setting \$852 million. Nearly half of this was spent in the United States, a 50-percent increase over the preceding year.

Japanese cotton imports exceeded 3 million bales for the first time since 1937. More than half came from the United States. Cotton regained first place among Japanese imports from the United States of the "seven"—wheat, barley, corn, hides and skins, soybeans, cotton, and tallow.

Also for the first time Japan's imports of corn and soybeans passed the 1-million-ton mark. The United States gained the lion's share of the soybean market, but lost much of Japan's corn purchases to Argentina, Thailand, and the Union of South Africa. In the past year Japan has stepped up use of soybeans for oil and soybean food products, while the rapidly-growing livestock industry has taken more and more corn.

Record quantities of wheat went to Japan, mostly Canadian hard wheats.

U.S. Switches Its Trade From Castor Beans to Oil

A 10-percent drop in U.S. purchases of castor beans and oil in 1960 leaves the United States still the world's leading importer of these two commodities. The reason—the United States stockpiles oil as a strategic material.

More important than this probably temporary drop was that U.S. imports of castor beans were lowest since 1899, pointing up a major switch in U.S. buying habits. In 1935-39, the United States purchased an average 61,731 short tons of beans—113 tons of oil. In 1960, it bought only 784 tons of beans and 53,726 tons of oil.

Behind the switch was the reluctance of Brazil and India, major sources of castor beans and oil, to export beans, preferring to crush them at home and export only the oil. India has forbidden the export of beans since 1952, and last year was joined by Brazil in a move which may become permanent. Bulk of U.S. bean imports in 1960 came from Haiti and Ecuador.

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Single Tariff Proposed On African Raw Materials

The British Government has proposed a meeting with the six Common Market countries to draw up a single tariff on raw materials from Africa.

This tariff would be the same as the preferential rates Britain extends to imports from Commonwealth countries and would give the African members of the Commonwealth an advantage on the Continent in return for the other African states receiving Commonwealth preference.

Reportedly the purpose of this single tariff is to prevent the economic split in Europe from spreading into Africa.

Belgium Frees Meat Imports From Common Market Nations

Early in May Belgium removed import quotas on beef, veal, and pork from other Common Market countries, in accordance with the Common Market Treaty on progressive liberalization. At the same time, the government counteracted the step by placing a license tax on meat imports to guard against abnormal price fluctuations.

The United States exported slightly over 1 million pounds of variety meats

to Belgium last year, compared with 1.9 million pounds in 1959. A still further decline is expected when the new tariff rates for nonmember countries are adopted.

U.S. Exports of Beans To Cuba Hit New Low

U.S. exports of beans to Cuba dropped from 97 percent of Cuba's total bean purchases in early 1960 to zero in January 1961—the first month in 15 years the U.S. sent no beans to Cuba.

In an all-out effort to replace the United States as a source of beans, Cuba went as far afield as Japan—which became Cuba's principal non-U.S. suppliers of beans in 1960—and Bulgaria. However, non-U.S. sources have been unable to supply Cuba with enough of the red beans so popular with the Cuban people, which recently have made up 44 percent of Cuba's bean imports from the United States.

Repercussions in the United States from the Cuban ban on U.S. beans have been felt principally by growers of red beans. Washington and Idaho, largest U.S. growers of "small reds," cut back 1961 acreage—Washington by 24 percent, Idaho by 13 percent.

Future Bright for U.S. Tobacco in Ireland

Irish preference for U.S. tobacco has put Ireland, despite its relatively small population, among the top ten importers of U.S. unmanufactured tobacco. Irish cigarettes contain an even larger percentage of U.S. tobacco than those of the United States, which use approximately 10 percent imported tobacco, mainly Oriental leaf from Greece and Turkey.

Ireland's purchase of 13.2 million pounds of tobacco leaf from the United States in 1960 seems to mark an end to the downward trend in consumption which began in the early 1950's. Increased purchasing power resulting from new foreign-capitalized industries in Ireland may well bring an upswing in per capita tobacco consumption and more U.S. tobacco sales.

The lower-priced medium-grade Rhodesian tobacco which lately has put such a dent in U.S. tobacco exports elsewhere will probably not entice Irish purchasers, because high import duties levied by the Irish Government on tobacco products discourage the use of less flavorful tobacco. This duty tax is the government's most important single source of revenue.